



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
Before the Board of Patent Appeals and Interferences

Applicant : Mendizabal et al.
Serial No. : 10/034,151
Filed : December 27, 2001
For : METHOD AND SYSTEM FOR AUCTIONING BANKRUPTCY
: ASSETS AND VALUING SAME
Examiner : Laneau, Ronald
Art Unit : 3627

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APPEAL BRIEF

May It Please The Honorable Board:

This is Appellants' Brief on Appeal from the final rejection of Claims 1 and 3 – 21. Appellants filed a Notice of Appeal on January 17, 2006. A petition pursuant to 37 CFR 1.136 for extension of the time to respond to May 17, 2006 is filed herewith. Accordingly, this Appeal Brief is considered timely filed. Appellants waive an Oral Hearing for this appeal.

The Office is authorized to charge any fees due and owing, or credit any overpayment, to Deposit Account No. 50-0832. Enclosed is a single copy of this Brief.

I. REAL PARTY IN INTEREST

The real party in interest of Application Serial No. 10/034,151 is the assignee of record:

Hartford Fire Insurance Company
The Hartford Plaza
Hartford, Connecticut 06115

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Susan J. Quackenbush
Signature

Susan J. Quackenbush
Name

II. RELATED APPEALS AND INTERFERENCES

There are currently, and have been, no Appeals or Interferences regarding Application Serial No. 10/034,151 known to the undersigned attorney.

III. STATUS OF THE CLAIMS

Claims 1 and 3– 21 stand rejected. Claims 2-13 and 15-21 have been cancelled, without prejudice, in an amendment filed contemporaneously herewith. A copy of this Amendment has been attached hereto as Appendix VI. Accordingly, the rejection of Claims 1 and 14 are appealed.

IV. STATUS OF AMENDMENTS

All prior amendments have been entered. The contemporaneously filed (attached) amendment is reflected in the claims included in Appendix I.

V. SUMMARY OF CLAIMED SUBJECT MATTER

This summary sets forth exemplary reference characters, pages and line numbers in the specification. The identification of reference characters, pages and line numbers does not constitute a representation that any claim element is limited to the embodiment illustrated at the reference character or described in the referenced portion of the specification.

Claim 1

Claim 1 recites a computer method of auctioning at least one claim or asset in bankruptcy over a communication network. The recited computer method first identifies potential buyers for the at least one claim or asset using at least one of a plurality of factors, the factors comprising previous purchasing behavior, industry links, and market research. (*See, specification, par. [0015]; Fig. 1A, reference 60*).

The computer method of Claim 1 then notifies selected ones of the potential buyers of the availability of the at least one claim or asset. (*See, specification, pars. [0015] - [0016]; Figs. 1A, 1B, references 70, 80, 90, 100, 110*).

The computer method of Claim 1 determines a market value of the at least one claim or asset using historical data of same or similar claims or assets. (*See, specification, pars. [0021] - [0022], [0029] - [0030]; Fig. 1D, reference 270, Figs. 2, 3, refs. 355, 360*).

The computer method of Claim 1 then dynamically adjusts the market value based on known factors. (*See, specification, pars. [0028], [0031]; Figs. 2, 3, reference 365*).

The computer method of Claim 1 registers ones of the buyers who have expressed an interest in bidding on the at least one claim or asset. (*See, specification, par. [0017], Fig. 1C, reference 170*).

The computer method of Claim 1 then obtains bids from the registered buyers over the network. (*See, specification, pars. [0024], [0026]; Fig. 1E, references 290, 292*).

Finally, the computer method of Claim 1 accepts a highest one of the bids if it satisfies a predetermined criteria and notifies the registered buyer from which the highest bid was obtained of the acceptance thereof, or rejects the bids if they do not satisfy said predetermined criteria. (*See, specification, par. [0040]*).

Claim 14

Claim 14 recites a computer system for auctioning at least one claim or asset in bankruptcy over a communication network. (*See, specification, par. [0033]; Fig. 4*). The system of Claim 14 includes a memory (*see, specification, par. [0033]; Fig. 4, reference 404*) and a processor in communication with the memory and operable to execute memory codes within the memory (*see, specification, pars. [0034] - [0037]; Fig. 4, reference 443*).

The memory of Claim 14 includes code for identifying potential buyers for the at least one claim or asset using at least one of a plurality of factors, the factors comprising previous purchasing behavior, industry links, and market research. (*See, specification, par. [0015]; Fig. 1A, reference 60*).

The memory of Claim 14 also includes code for then notifying selected ones of the potential buyers of the availability of the at least one claim or asset. (*See, specification, pars. [0015] - [0016]; Figs. 1A, 1B, references 70, 80, 90, 100, 110*).

The memory of Claim 14 further includes code for determining a market value of the at least one claim or asset using historical data of same or similar claims or assets. (*See, specification, pars. [0021] - [0022], [0029] - [0030]; Fig. 1D, reference 270, Figs. 2, 3, refs. 355, 360*).

The memory of Claim 14 has code for then dynamically adjusting the market value based on known factors. (*See, specification, pars. [0028], [0031]; Figs. 2, 3, reference 365*).

The memory of Claim 14 has code for registering ones of the buyers who have expressed an interest in bidding on the at least one claim or asset. (*See, specification, par. [0017], Fig. 1C, reference 170*).

The memory of Claim 14 has code for then obtaining bids from the registered buyers over said network. (*See, specification, pars. [0024], [0026]; Fig. 1E, references 290, 292*).

Finally, the memory of Claim 14 has code for accepting a highest one of said bids if said highest one of said bids satisfies a predetermined criteria and notifying said registered buyer from which said highest one of said bids was obtained of the acceptance thereof; or code for rejecting said bids if said bids do not satisfy said predetermined criteria. (*See, specification, par. [0040]*).

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The Examiner has rejected Claims 1 and 14 as being unpatentable under 35 USC 103(a) over United States Patent Publication 2003/0220867 (Goodwin) in view of United States Patent Publication 2002/0099637 (Wilkinson).

VII. ARGUMENT

I. Nature of the Invention

As discussed in paragraph [0003] of the subject application, a conventional bankruptcy process involves one or more buyers monitoring cases filed in the U.S. Bankruptcy Court. The claimed method and system address the shortcomings of such a conventional bankruptcy process, by, in part: (1) first identifying potential buyers for at least one claim or asset using at least one of a plurality of factors; and then (2) notifying selected ones of the potential buyers of the availability of the at least one claim or asset. Thus, the computer implemented method and system of independent Claims 1 and 14 first identify potential buyers for a claim or asset; and then notify ones of the identified buyers that were selected for participation in the auction. The claimed system (and method) may be considered a *push-type* approach, in that notifications are “pushed” to potential buyers the system has identified and selected for the at least one claim or asset. This is in contrast to a *pull-type* approach that requires potential buyers first identify themselves as interested in at least one particular claim or asset and then essentially “pull” notifications regarding the particular claim or asset.

A push-type approach is described in Applicant’s specification as originally filed, in Figs. 1A and 1B, and the accompanying text. Fig. 1A illustrates an exemplary bankruptcy filing processing in accordance with principles of the present invention. Upon a bankruptcy filing 10, a list of creditors 20 (creditor schedule) is stored in a data store 40. A subset of

the data within creditor list 20 stored in data store 40 is generated using filtering to populate a schedules database 50.

Identification of potential buyers 60 is made based on factors, such as previous purchasing behavior, industry links, buyer predetermined preferences and market research. Buying preferences, as stored in database 50, of each potential buyer 60 are then matched against select marketing criteria 70, e.g., matching ones of the potential buyers are selected.

Continuing with Fig. 1B, at block 80 an appropriate notification method for each of the potential buyers meeting or matching criteria 70 (i.e., that were selected), is made. The notification method may be determined in accordance with buyer predetermined or preferred methods or settings, which may be stored on data store 40 or schedule database 50. For example, potential buyers may pre-store preferred methods of notifications such as the illustrated e-mail notification 90, letter 100 or phone call 110.

The cited prior art fails, in any combination, to teach such a push-type computer implemented method or system, or render either of pending Claims 1 or 14 unpatentably obvious under 35 U.S.C. 103(a).

II. Standard for Unpatentability Under 35 U.S.C. 103(a)

To establish a prima facie case of obviousness under 35 U.S.C. 103(a), all of the recited claim limitations must be taught or suggested in the prior art. *See, M.P.E.P. 706.02(j); see also, M.P.E.P. 2143.03 citing In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974) ("All words in a claim must be considered in judging the patentability of that claim against the prior art.") and In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).*

As discussed below, the cited prior art references, both singly and in combination, fail to teach, or suggest, all of the limitations of either of Claims 1 or 14 – and hence fail to render either of these pending claims unpatentable as a matter of law.

III. 35 U.S.C. 103(a) Rejection of Claim 1

Claim 1 recites, in part, “[a] computer method of auctioning at least one claim or asset in bankruptcy over a communications network, said method comprising: [1] identifying potential buyers for said at least one claim or asset using at least one of a plurality of factors comprising previous purchasing behavior, industry links and market research; [and] [2] notifying selected ones of the potential buyers of the availability of said at least one claim or asset.” Thus, Claim 1 is directed to a computer method of auctioning at least one claim or asset in bankruptcy over a communications network that *pushes* claim or asset availability information to selected potential buyers by: (1) identifying potential buyers for the at least one claim or asset using at least one of a plurality of factors comprising previous purchasing behavior, industry links and market research; and (2) notifying selected ones of the identified potential buyers of the availability of the at least one claim or asset.

Thus, the system of Claim 1 drives the auction process by itself identifying potential buyers using a data store, and notifying ones of the identified buyers that were selected. In contrast, the cited art does not teach such a push-type computer method, and in fact actually teaches the opposite -- a method that requires potential buyers drive the process by pulling item information they select. That is, Goodwin requires potential buyers pull notifications by expressing interest in particular items.

The Final Office action relies upon paragraph [0101] of Goodwin to support the assertion that Goodwin teaches the first recited step of Claim 1 -- identifying potential buyers for the at least one claim or asset using at least one of a plurality of factors comprising previous purchasing behavior, industry links and market research. Applicant traverses this assertion. Paragraph [0101] of Goodwin merely discloses that user management 40 is a subsystem that provides user management functions. Paragraph [0101]

of Goodwin teaches user management subsystem 40 simply provides an interface to data. Examples of the data provided are: user profile data, user preference data, stored search/filter results, lists of financial products for which a user has purchased due diligence or other information, a user registration component to handle initial site registration, login/authentication functions. Finally, paragraph [0101] mentions an interface that allows a system administrator or quality control person to "activate" the ability for a Buyer or Seller to conduct transactions.

Thus, a detailed reading of paragraph [0101] reveals that while the Goodwin system may store some data associated with users and have interfaces thereto, paragraph [0101] of Goodwin does not teach or suggest *a computer method that includes the step of identifying potential buyers* at all – no less *a computer method that identifies potential buyers for a particular claim or asset using at least one of a plurality of factors comprising previous purchasing behavior, industry links and market research* as is recited by Claim 1.

For purposes of completeness, Applicant submits Wilkinson as applied in the Final Office action fails to remedy at least this shortcoming of Goodwin – at least by virtue that Wilkinson is merely relied upon for its purported teachings regarding determining market values. Further, as is discussed below, not only does Goodwin fail to teach, or suggest, the identifying step recited in Claim 1, it actually teaches the opposite – in at least that it requires potential buyers to identify themselves to the auction system as interested in a particular claim or asset.

Second, the Final Office action relies upon paragraph [0118] of Goodwin to support the assertion that Goodwin teaches the second recited step of Claim 1 -- notifying selected ones of the potential buyers of the availability of said at least one claim or asset. Applicant traverses this assertion as well.

Paragraph [0118] of Goodwin teaches a notifier subsystem 66 generates notifications. It goes on to disclose, however, that *sellers can be notified whenever a buyer has expressed interest in a financial product that the seller is selling*, and *buyers can be notified* as to the closing date for bids *on the product or service he/she has expressed interest in*. Thus, while paragraph [0118] of Goodwin may teach system notifications in general, Goodwin fails to teach or suggest *notifying selected ones of the potential buyers that were identified using at least one of a plurality of factors comprising previous purchasing behavior, industry links and market research of the availability of the at least one claim or asset*. Accordingly, the Goodwin system is not a *push approach* as is recited by Claim 1, but instead expressly teaches a *pull approach* wherein a *buyer is notified* as to the closing date for bids *on the product or service he/she has expressed interest in*. See, e.g., Goodwin, par. [0018]. Again for purposes of completeness, Applicant submits Wilkinson as applied in the Final Office action fails to remedy at least this shortcoming of Goodwin.

In an effort to bolster the rejection of Claim 1, the Final Office action also erroneously concludes that the recited method somehow embodies how potential buyers are identified over the Internet – without providing any support for this assertion. See, 9/15/2005 Final Office action, par. 4. For example, the Examiner has failed to present any evidence or point to even a single prior art system that supports this assertion.

The Office action also presents the unsupported and conclusory argument that, “[o]ne would have to monitor the buyer’s behavior by at least identifying the different sites or items of interest for said buyer and make a decision as to the possibility said buyer is interested in an auction and notify said buyer of the item being up for auction.” Again, Applicant notes the Examiner has failed to present any evidence or point to even a single prior art system that supports this assertion.

In fact, and to the contrary, the approach of Goodwin relied upon in the Office action has potential buyers search for, view information about, obtain documentation for, and bid on, products and services. *See, e.g., Goodwin, par. [0094]*. Accordingly, this presents a similar drawback to that of conventional bankruptcy proceedings the present invention seeks to overcome (*see, e.g., Specification, par. [0003]*) as the Goodwin approach of allowing a buyer to *pull* item information by monitoring buyers' behavior to identify sites or items the buyers themselves select, is distinct from the claimed computer method recited in present Claim 1, which includes the steps of identifying potential buyers and notifying selected ones of them.

In summary, Claim 1 recites a computer method that *pushes* claim or asset information by: (1) identifying potential buyers for the at least one claim or asset using at least one of a plurality of factors comprising previous purchasing behavior, industry links and market research (e.g., searching a database); and (2) notifying selected ones of the identified potential buyers of the availability of the at least one claim or asset (e.g., by the user preferred method). Put another way, the method of Claim 1 necessarily calls for a computer method that itself identifies buyers, selects ones of the identified buyers and notifies the selected buyers (i.e., pushes notifications), while Goodwin instead requires buyers to identify themselves and then merely sends notifications to them (i.e., pulls notifications).

Accordingly, Applicant respectfully requests reconsideration and removal of the rejection of Claim 1, as a *prima facie* case of obviousness has not been met, at least by virtue that the asserted combination of Goodwin and Wilkinson fails to teach, or suggest, each of the limitations of Claim 1 – namely at least the recited: (1) identifying potential buyers for said at least one claim or asset using at least one of a plurality of factors comprising previous purchasing behavior, industry links and market research; and (2)

notifying selected ones of the potential buyers of the availability of said at least one claim or asset.

IV. 35 U.S.C. 103(a) Rejection of Claim 14

In a similar fashion to patentably distinct Claim 1, independent Claim 14 recites, in part, “[a] computer system for auctioning at least one claim or asset in bankruptcy over a communications network comprising: ... [1] code for identifying potential buyers for said at least one claim or asset using at least one of a plurality of factors, the factors comprising previous purchasing behavior, industry links and market research; [and] [2] code for notifying selected ones of the potential buyers of the availability of said at least one claim or asset.” Thus, Applicant submits Claim 14 is distinguishable from the cited art of record for reasons analogous to those presented regarding Claim 1.

Accordingly, Applicant respectfully requests reconsideration and removal of the rejection of Claim 14, as a *prima facie* case of obviousness has not been met, at least by virtue that the asserted combination of Goodwin and Wilkinson fails to teach, or suggest, each of the limitations of Claim 14 – namely at least the recited: (1) code for identifying potential buyers for said at least one claim or asset using at least one of a plurality of factors comprising previous purchasing behavior, industry links and market research; and (2) code for notifying selected ones of the potential buyers of the availability of said at least one claim or asset.

VIII CONCLUSION

Claims 1 and 14 broadly encompass: a computer method and computer system that include (1) identifying potential buyers for said at least one claim or asset using at least one of a plurality of factors comprising previous purchasing behavior, industry links and market research; and (2) notifying selected ones of the potential buyers of the availability of said at least one claim or asset. In contradistinction, the cited art instead teaches a system wherein potential buyers must identify themselves.

Accordingly, the cited art of record clearly fails to teach the claimed method and thus fails to render either Claim 1 or 14 unpatentable. In view of the foregoing, it is respectfully submitted that the rejection of Claims 1 and 14 should be reversed.

Respectfully submitted,

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APPENDIX I - APPEALED CLAIMS

1. (Previously Presented) A computer method of auctioning at least one claim or asset in bankruptcy over a communication network, said method comprising the steps of:

identifying potential buyers for said at least one claim or asset using at least one of a plurality of factors, the factors comprising previous purchasing behavior, industry links, and market research;

notifying selected ones of the potential buyers of the availability of said at least one claim or asset;

determining a market value of said at least one claim or asset using historical data of same or similar claims or assets;

dynamically adjusting said market value based on known factors;

registering ones of said buyers who have expressed an interest in bidding on said at least one claim or asset;

obtaining bids from said registered buyers over said network; and

accepting a highest one of said bids if said highest one of said bids satisfies a predetermined criteria and notifying said registered buyer from which said highest one of said bids was obtained of the acceptance thereof; or

rejecting said bids if said bids do not satisfy said predetermined criteria.

2 – 13 (Cancelled)

14. (Previously Presented) A computer system for auctioning at least one claim or asset in bankruptcy over a communication network, said system comprising:

a memory comprising:

code for identifying potential buyers for said at least one claim or asset using at least one of a plurality of factors, the factors comprising previous purchasing behavior, industry links, and market research;

code for notifying selected ones of the potential buyers of the availability of said at least one claim or asset;

code for determining a market value of said at least one claim or asset using historical data of same or similar claims or assets;

code for dynamically adjusting said market value based on known factors;

code for registering ones of said buyers who have expressed an interest in bidding on said at least one claim or asset;

code for obtaining bids from said registered buyers over said network; and

code for accepting a highest one of said bids if said highest one of said bids satisfies a predetermined criteria and notifying said registered buyer from which said highest one of said bids was obtained of the acceptance thereof; or

code for rejecting said bids if said bids do not satisfy said predetermined criteria;

a processor in communication with said memory operable to execute said codes within said memory.

15 – 21. (Cancelled)

APPENDIX II - EVIDENCE

None

APPENDIX III - RELATED PROCEEDINGS

None

APPENDIX IV - TABLE OF CASES

In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974)

In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970)

APPENDIX V - LIST OF REFERENCES

<u>U.S. Pat. Pub. No.</u>	<u>Publication Date</u>	<u>Inventor</u>
2003/0220867	November 27, 2003	Goodwin
2002/0099637	July 25, 2002	Wilkinson

APPENDIX VI - CONTEMPORANEOUSLY FILED AMENDMENT